

**1986****Exempt Organization Business  
Income Tax Return****109**Check one: ☐ Calendar year 1986 ☐ Fiscal year beginning \_\_\_\_\_, 1986, ending \_\_\_\_\_, 1987.

<b>Affix Mailing Label</b>		Do Not Use These Spaces		
Corporate or Organization Number	Federal Employer Identification Number			
Corporation or Organization Name				
Address				
City	State			
Corp./Org. No.		RC	DE	AYE
Remittance				

Name and address of the trust fiduciary

Federal Employer Identification Number

Nature of trade or business

Form number of federal form filed

Attach Remittance Here	<b>Organizations Taxable as Corporations</b>		
	1	Unrelated business taxable income from Schedule A, line 31	1
	2	Apportion _____ % (Schedule K, line 5) of line 1	2
	3	Net operating loss carryover claimed	3
	4	Net unrelated business taxable income (line 1 or 2 minus line 3)	4
	5	Tax: 9.6% of line 4 (see General Instruction J)	5
	6	Tax credits from Schedule B, line 7	6
Tax Computation	7	Balance (subtract line 6 from line 5. If line 6 is greater than line 5, enter zero)	7
	<b>Organizations Taxable as Trusts</b>		
	8	Unrelated business taxable income from Schedule A, line 31	8
	9	Net operating loss carryover claimed	9
	10	Net unrelated business taxable income (line 8 minus line 9)	10
	11	Tax on amount on line 10 (see General Instruction J-2)	11
	12	Tax credits from Schedule B, line 7	12
	13	Credit for net income taxes paid to State of _____	13
	14	Total credits (line 12 plus line 13)	14
	15	Balance of tax (subtract line 14 from line 11. If line 14 is greater than line 11, enter zero)	15
Total Tax	16	Tax from line 7 or line 15	16
	17	Tax on preference income from Schedule P (Form 100), line 16 (see General Instruction Q)	17
	18	Total tax (add lines 16 and 17)	18
Payments	19	Estimated tax payments	19
	20	Paid with application for extension	20
	21	Total payments and/or credit (add lines 19 and 20)	21
Balance Due or Refund	22	Tax due (line 18 minus line 21). Pay entire amount with return	22
	23	Overpayment (line 21 minus line 18)	23
	24	Refund (amount from line 23 to be refunded)	24
	25	Credit to 1987 estimated tax (amount from line 23 to be credited)	25

Person to contact for  
additional information:Telephone  
Number: ( )

Please Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Title	Date	Telephone
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	Firm's name (or yours, if self-employed) and address		E.I. No.	
			Telephone ( )	

**Schedule A Unrelated Business Taxable Income Computation****Unrelated Trade or Business Income**

1	Gross receipts or gross sales \$ _____	Less returns and allowances \$ _____	Balance . . . .
2	Cost of goods sold and/or operations (see worksheets below) . . . . .		
3	Gross profit (subtract line 2 from line 1) . . . . .		
4	(a) Net capital gains (or losses) (see Specific Line Instructions for Schedule A) - Trusts attach Schedule D (Form 540) . . . . .		
	(b) Ordinary gain (or loss) (see Specific Line Instructions for Schedule A) - Trusts attach Schedule D-1 (Form 540) . . . . .		
5	Income (or loss) from partnerships (attach statement) . . . . .		
6	Rent income (Schedule C) . . . . .		
7	Unrelated income of a 23701g or 23701i organization (Schedule E) . . . . .		
8	Investment income of a 23701g or 23701i organization (Schedule E) . . . . .		
9	Annuities, interest, royalties, and rents from controlled organizations (Schedule F) . . . . .		
10	Exploited exempt activity income (Schedule G) . . . . .		
11	Advertising income (Schedule H, Part III, Column A) . . . . .		
12	Other income (attach schedule) . . . . .		
13	Total unrelated trade or business income (add lines 3 through 12) . . . . .		

**Deductions** (Except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers or trustees (Schedule I) . . . . .	
15	Salaries and wages (not deducted elsewhere) . . . . .	
16	Repairs . . . . .	
17	Bad debts . . . . .	
18	Interest (attach statement) . . . . .	
19	Taxes (attach statement) . . . . .	
20	Contributions (see Specific Line Instructions for Schedule A - attach statement) . . . . .	
21	Depreciation (Schedule J) . . . . .	
22	Amortization (attach statement) . . . . .	
23	Depletion . . . . .	
24	(a) Pension, profit-sharing plans, etc. . . . .	
	(b) Employee benefit programs (see Specific Line Instructions for Schedule A) . . . . .	
25	Other deductions (attach statement) . . . . .	
26	Total deductions (add lines 14 through 25) . . . . .	
27	Unrelated business taxable income before allowable excess advertising costs (subtract line 26 from line 13) . . . . .	
28	Excess advertising costs (Schedule H, Part III, Column B) . . . . .	
29	Unrelated business taxable income before specific deduction (subtract line 28 from line 27) . . . . .	
30	Specific deduction (see General Instruction N) . . . . .	
31	Unrelated business taxable income (subtract line 30 from line 29. If line 30 is greater than line 29, enter the lesser of line 29 or zero) . . . . .	

**Worksheet Cost of Goods Sold** Method of Inventory Evaluation (specify) \_\_\_\_\_

1	Inventory at beginning of year . . . . .	
2	Merchandise bought for manufacture or sale . . . . .	
3	Salaries and wages . . . . .	
4	Other costs (attach schedule) . . . . .	
5	Total (add lines 1 through 4) . . . . .	
6	Less inventory at end of year . . . . .	
7	Cost of goods sold (enter here and on Schedule A, line 2) . . . . .	

**Worksheet Cost of Operations**

1	Salaries and wages . . . . .	
2	Other costs (show detail) _____	
3	Total (enter here and on Schedule A, line 2) . . . . .	

**Schedule B Tax Credits (see instruction)**

1	Jobs tax credit(s) . . . . .	
2	Energy conservation . . . . .	
3	Ridesharing . . . . .	
4	Alcohol fuel device . . . . .	
5	Solar energy . . . . .	
6	Other credits . . . . .	
7	Total (add lines 1 to 6) (enter here and on side 1, line 6 for corporations, or line 12 for trusts) . . . . .	\$

**Note:** For rental income from debt financed property, use Schedule D.

**Schedule D** Unrelated Debt-Financed Income

Total (enter here and on Schedule A, line 7).....

1. Amount	2. Deductions directly connected (attach statement)	3. Net investment income (col. 1 less col. 2)	4. Set asides (attach statement)	5. Balance of investment income (col. 3 less col. 4)

**Schedule F** Income (Annuities, Interest, Rents, and Royalties) From Controlled Organizations

Total (enter here and on Schedule A, line 9) .....

1. Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income from unrelated trade or business (col. 2 less col. 3)	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expense (col. 6 less col. 5 but not to exceed amount in col. 4)	8. Net income reportable (col. 4 less col. 7 but not less than zero)

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**Schedule H Advertising Income and Excess Advertising Costs****Part I Consolidated Periodicals**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Excess advertising costs (if col. 3 exceeds col. 2, enter excess in Part III, col. B)	5. Net advertising income (if col. 6 exceeds col. 7, enter excess of col. 2 over col. 3 in Part III, col. A)	6. Circulation income	7. Readership costs	8. Includible income (if col. 7 exceeds col. 6, subtract col. 7 plus col. 3 from col. 6 plus col. 2. If more than zero, enter amount in Part III, col. A)
Totals							

**Part II Non-Consolidated Periodicals**


**Part III Column A — Net Advertising Income**

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals

(b) Enter total amount from Part I, column 5 or 8 and amounts listed in Part II, cols. 5 and 8


Enter total here and on Schedule A, line 11

**Part III Column B — Excess Advertising Costs**

(a) Enter "consolidated periodical" and/or names of non-consolidated periodicals

(b) Enter total amount from Part I, column 4 and amounts listed in Part II, column 4


Enter total here and on Schedule A, line 28

**Schedule I Compensation of Officers or Trustees**

1. Name of Officer	2. Social Security Number	3. Title	4. Time devoted to business	5. Amount of compensation	6. Expense account allowances
Total compensation of officers (enter here and on Schedule A, line 14)					

**Schedule J Depreciation**

Instructions for Guideline Class Life System and Class Life System are contained in the instructions for form FTB 3887 (Guideline Class Life System) and form FTB 3888 (Class Life System). **Note:** With limited exceptions, California has not adopted the Federal Accelerated Cost Recovery System (ACRS).

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
3 Depreciation from form FTB 3887						
4 Depreciation from form FTB 3888						
5 Total						
6 Amount of depreciation claimed elsewhere on return						
7 Balance. (subtract line 6 from line 5) Enter here and on Schedule A, line 21						

**Schedule K Apportionment Formula**

Limited to unrelated trade or business amounts	Total within and without the state (a)	Total within the state (b)	Percent within the state (b) ÷ (a)
1 Average yearly value of real and tangible personal property whether owned or rented (see Specific Instructions)	\$	\$	
2 Wages, salaries, and other compensation of employees	\$	\$	
3 Gross sales and/or receipts, less returns and allowances	\$	\$	
4 Total percent (sum of the percentages above)			
5 Average percent (1/3 of total percent). Enter here and on side 1, line 2			